



Health Services
LOS ANGELES COUNTY

**Los Angeles County
Board of Supervisors**

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First District

Mark Ridley-Thomas
Second District

Zev Yaroslavsky
Third District

Don Knabe
Fourth District

Michael D. Antonovich
Fifth District

June 3, 2009

TO: Each Supervisor

FROM: John F. Schunhoff, Ph.D.
Interim Director

SUBJECT: **NOTIFICATION OF THE DEPARTMENT OF HEALTH
SERVICES USE OF DELEGATED AUTHORITY TO
EXECUTE AMENDMENTS TO EXISTING AGREEMENTS
FOR ALL COMMUNITY HEALTH PLAN (CHP) PRODUCT
LINES**

John F. Schunhoff, Ph.D.
Interim Director

Robert G. Splawn, M.D.
Interim Chief Medical Officer

This is to advise your Board that the Department of Health Services is exercising its delegated authority, approved on December 19, 2006 and December 18, 2007 (Attachments I and II), to execute the subject Amendments listed in Attachment III.

The purpose of these Amendments is for the continued provision of services to CHP Members, including but not limited to, extending the term of Agreements beginning April 1, 2009 through March 31, 2012, changes in rates and Division of Financial Responsibility.

County Counsel has reviewed and approved execution of the Amendments as to form. The Chief Executive Office has also reviewed and approved the Amendments.

If you have any questions or need additional information, please let me know.

JFS:ls

Attachment

c: Chief Executive Officer
County Counsel
Executive Officer, Board of Supervisors

313 N. Figueroa Street, Suite 912
Los Angeles, CA 90012

Tel: (213) 240-8101
Fax: (213) 481-0503

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Health Services
LOS ANGELES COUNTY

Los Angeles County
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Don Knabe
Fourth District

Michael D. Antonovich
Fifth District

Bruce A. Chernof, MD
Director and Chief Medical Officer

John R. Cochran III
Chief Deputy Director

William Loos, MD
Acting Senior Medical Officer

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December 19, 2006

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street

Dear Supervisors:

THE COMMUNITY HEALTH PLAN

IT IS RECOMMENDED THAT YOUR BOARD:

1. Delegate authority to the Director of Health Services or his designee (hereafter "Director") to: a) amend and extend Agreement No. H-207980 between the Department of Health Services' Community Health Plan (CHP) and L.A. Care Health Plan (L.A. Care) effective January 1, 2007, on a month-to-month basis, through June 30, 2007, b) negotiate and execute a Replacement Agreement during the extension term, effective the first day of the month following the date of successful contract negotiations by both parties up to March 31, 2009, and c) execute future Amendments to the Replacement Agreement up to March 31, 2009, contingent upon prior review and approval by County Counsel and the Chief Administrative Office.
2. Approve and instruct the Director to offer and execute Amendment No. 7 to Agreement No. H-213337 with L.A. Care, substantially similar to Exhibit I, effective January 1, 2007 through June 30, 2007 to extend the following services provided for the CHP's Personal Assistance Services Council-Service Employees International Union (PASC-SEIU) Homecare Worker Health Care Plan: a) administrative support services, at an estimated total cost of \$1.2 million dollars during the extension term, partially offset by State and Federal funds as set forth herein, and b) nurse advice line services at no additional cost to County.
3. Approve and instruct the Director to offer and execute Amendment No. 6 to Agreement No. H-207959 with L.A. Care, substantially similar to Exhibit II, effective January 1, 2007 through June 30, 2008 to extend the following services provided for the CHP's Healthy Families Program (HFP): a) health care services to CHP members, at an estimated total cost of \$5.6 million dollars during the extension term, 100% offset by State and Federal funds, b) performance measurement support services for a total maximum obligation of \$272,000, 100% offset by State and Federal funds, and c) nurse advice line services at no additional cost to County.
4. Delegate authority to the Director to offer and execute future Amendments to existing Agreements for any or all CHP product lines during the term of each respective program to: a) extend the term and incorporate provisions consistent with the related funding Agreement, all applicable State law and regulations, County Ordinance, and Board policy, b) adjust rates and financial risks on a prospective basis based on actuarially sound guidelines reviewed and approved by County Counsel and Chief Administrative Office,

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

39 DEC 19 2006

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

- c) incorporate performance standards required under the National Committee for Quality Assurance (NCQA) Accreditation Program, and d) make appropriate changes in contract language to improve clarity and correct contract deficiencies, errors and omissions, contingent upon prior review and approval by County Counsel and the Chief Administrative Office.
- 5. Delegate authority to the Director to offer and execute Board-approved standard form Agreements for any or all CHP product lines, as may be amended from time to time, with qualified providers, provided that CHP requires such Agreements to increase service capacity or access for its members, and that such providers meet CHP's contracting criteria listed in Attachment B, contingent upon prior review and approval by County Counsel and Chief Administrative Office.

PURPOSE/JUSTIFICATION OF THE RECOMMENDED ACTIONS:

The Department of Health Services (DHS or Department) is recommending approval of these actions to enable CHP to: a) ensure continued funding and provision of health services to Medi-Cal beneficiaries enrolled in CHP, b) ensure continued access to health care and nurse advice line for all CHP product lines, administrative support for PASC-SEIU Homecare Worker Health Care Plan, and performance measurement support for HFP, c) offer standard form Agreements to qualified providers to increase capacity or access to care for any or all CHP product lines, and d) execute certain types of Amendments on a timely manner to ensure continued compliance with State and other local requirements and to remain competitive with other health plans in order to retain and increase CHP membership.

FISCAL IMPACT/FINANCING:

L.A. Care Agreements

PASC-SEIU Health Care Plan – Administrative Support Services

CHP receives funding from PASC on a capitated per member per month basis for each subscriber enrolled in CHP. The total estimated cost for the Administrative Support Services Agreement with L.A. Care is \$1.2 million dollars during the extension period. Based on current cost-sharing ratios, the PASC-SEIU Homecare Worker Health Care Plan is 82.3% offset by State and Federal funds, with the remaining 17.7% covered by net County costs. Funding is included in the Office of Managed Care's Fiscal Year (FY) 2006-07 Final Budget.

Healthy Families Program

The cost for HFP health care provided by L.A. Care's provider network for primary, specialty, hospital, behavioral, and pharmaceutical services, and performance measurement support services is 100% offset by State and Federal funds received from the State's Managed Risk Medical Insurance Board (MRMIB) on a capitated per member per month basis for each HFP subscriber enrolled in CHP. The total estimated cost for the provision of network health services with L.A. Care is \$5.6 million dollars for the extension period. CHP will reimburse L.A. Care for a total maximum obligation of \$272,000 for the performance measurement support services provided to CHP. Funding is included in the Office of Managed Care's FY 2006-07 Final Budget, and will be requested in future years.

Nurse Advice Line

L.A. Care will continue to provide or arrange for the provision of nurse advice line services for the duration of term of each respective L.A. Care Agreements for all CHP product lines at no additional cost to the County.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

The CHP is a full-service Knox-Keene Licensed (1985) and federally qualified Health Maintenance Organization (1988) publicly operated by the County of Los Angeles and administered by the Department's Office of Managed Care, providing health care services at low or no cost through the Medi-Cal Managed Care Program, Healthy Families Program, Los Angeles County Temporary Employees Program and PASC-SEIU Homecare Worker Health Care Plan.

L.A. Care Agreements

Plan Partner Services/Medi-Cal Program

On February 11, 1997, the Board approved the Plan Partner Services/Medi-Cal Program Agreement with L.A. Care. On subsequent occasions, the Board approved a new Agreement effective December 2002 and Amendments through December 31, 2006.

The CHP receives monthly capitation payments from L.A. Care for each Medi-Cal beneficiary enrolled in CHP, which provides 100% funding to the CHP's Medi-Cal Managed Care Program.

Negotiations with L.A. Care for a Replacement Agreement are ongoing. To this extent, the Department intends to amend and extend the current Agreement effective January 1, 2007, on a month-to-month basis, through June 30, 2007, or sooner, to allow both parties to fully complete their negotiations and execute the Replacement Agreement, which shall be effective the first day of the month following the date of successful contract negotiations by both parties during the extension term up to March 31, 2009. The Replacement Agreement will put CHP under the same contract end date cycle with other L.A. Care Plan Partner Services Agreements, including Blue Cross of California, Care 1st Health Plan, and Kaiser Permanente.

As with the existing Agreement, the Replacement Agreement will comply with all applicable State laws and regulations.

PASC-SEIU Health Care Plan-Administrative Support Services

The PASC-SEIU Health Care Plan provides health care benefits to uninsured or under-insured homecare workers and their newborn infants. As employees of PASC, these workers enable eligible seniors or persons with disabilities to remain safely in their own homes by providing personal care services, domestic services, accompaniment to medical appointments, and other health and personal care services.

On January 8, 2002, the Board approved the Agreement with L.A. Care to assist CHP with administrative support services. These services include claims processing, member services, utilization review, and management information systems. On subsequent occasions, the Board approved Amendments to amend and extend the Agreement through December 31, 2006. To this extent, the Department intends to enter into an Amendment Extension of the current Agreement, effective January 1, 2007 through June 30,

2007, upon substantially similar terms and conditions, to extend services provided for the CHP's PASC-SEIU Homecare Worker Health Care Plan.

Healthy Families Program

HFP provides low-cost health care to uninsured children up to age 19 from low-income families who do not qualify for Medic-Cal.

On January 7, 2003, the Board approved the L.A. Care Agreement for the provision of health care services, through L.A. Care's network of primary, specialty, hospitals, behavioral health, and pharmacies, to HFP subscribers enrolled in CHP. Under this Agreement, L.A. Care also provides performance measure support services to assist CHP with the submission of the annual Health Plan Employer Data and Information Set (HEDIS) performance report required by MRMIB. On subsequent occasions, the Board approved amendments and extensions to this Agreement through December 31, 2006. To this extent, the Department intends to enter into an Amendment Extension of the current Agreement, effective January 1, 2007 through June 30, 2008, upon substantially similar terms and conditions, to extend services provided for the CHP's HFP.

Nurse Advice Line

Nurse advice line services provide telephonic medical advice and referrals by specially trained registered nurses, physician assistants, licensed physicians, and surgeons. Such advice and referrals reduce the number of unnecessary visits to hospitals and physicians' offices by CHP members with minor illnesses and injuries.

On January 20, 2004, the Board approved Amendments to L.A. Care Agreements to add the provision of nurse advice line services for all CHP product lines, and subsequently approved extension of such services through December 31, 2006, at no cost to the County. L.A. Care has agreed to continue providing nurse advice line services at no cost to the County for the duration of term of each respective L.A. Care Agreements for all CHP product lines. As a result, the Department intends to extend the term of such Agreements to continue nurse advice line services for all CHP product lines.

Standard Form Provider Agreements for All CHP Product Lines

In 1998, 2000, and 2002, the Board approved a standard form provider Agreement for CHP's HFP, MMCP/CTEP, and IHSS product lines, respectively. As part of this approval and with the approvals of subsequent Amendments, the Board delegated authority to the Department to offer and execute these Board approved Agreements to potential providers meeting CHP's specified criteria and provider network needs. As such, the Department seeks delegated authority to continue to offer the Board-approved standard form Agreements under the same criteria to increase service capacity or access for CHP members.

Administrative Amendments of Existing Agreements for All CHP Product Lines

As a full-service Knox-Keene Licensed and federally qualified Health Maintenance Organization, the CHP is continuously subjected to rapid changes in State laws and regulations and other regulatory requirements, including changes in industry practices and conditions. In order to keep at par with other health plans and respond quickly to changing demands, the CHP needs a process where required changes are immediately implemented.

The Board's approval of delegated authority to the Director to execute Administrative Amendments, with prior approvals from County Counsel and the Chief Administrative Office, will enable CHP to keep pace with the continuous changes in regulatory requirements and industry conditions, while providing controls to ensure adherence to Board policy.

Attachments A and B provide additional information.

Exhibits I and II have been approved as to form and use by County Counsel.

CONTRACTING PROCESS:

Upon Board approval, the Director will have delegated authority to execute new Agreements or Amendments as described herein. The execution of the new Agreement or Amendment will be contingent upon review and approval by County Counsel and the Chief Administrative Office.

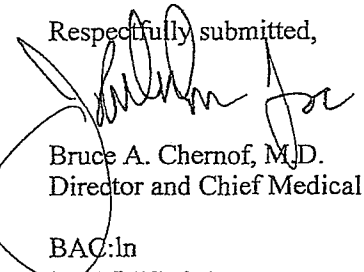
As mandated by the Board, the performance of all Contractors is evaluated by the Department on an annual basis to ensure the Contractors' compliance with all the contract terms and performance standards.

IMPACT ON CURRENT SERVICES (OR PROJECTS):

Services provided to CHP members will continue uninterrupted.

When approved, this Department requires four signed copies of the Board's action.

Respectfully submitted,



Bruce A. Chernof, M.D.
Director and Chief Medical Officer

BAC:ln

Community Health Plan.nf.wpd

Attachments (4)

c: Chief Administrative Officer
County Counsel
Executive Officer, Board of Supervisors
Office of Managed Care

SUMMARY OF AGREEMENTS

1. Types of Services

Community Health Plan (CHP) provides or arranges for health services, including a nurse advice line, to individuals enrolled in the CHP's Medi-Cal Managed Care Program/County Temporary Employees Program (MMCP/CTEP), Healthy Families Program (HFP), and Personal Assistance Services Council-Services Employees International Union (PASC-SEIU) Homecare Worker Health Care Plan. These services are delivered through a combined network County facilities and contracted providers. CHP also arranges for administrative support for the PASC-SEIU Homecare Worker Health Care Plan and performance measurement support for HFP through Agreements with L.A. Care Health Plan (L.A. Care).

2. Agencies and Contact Persons:

Howard Kahn, CEO
L.A. Care Health Plan
555 West Fifth Street, 29th Floor
Los Angeles, CA 90013
(213) 694-1250 ext. 4151

3. Term

Plan Partner Services Agreement/Medi-Cal Program:	Effective January 1, 2007 up to March 31, 2009
Administrative Support Services Agreement:	Effective January 1, 2007 through June 30, 2007
Healthy Families Program Agreement:	Effective January 1, 2007 through June 30, 2008

4. Financial Information

The CHP receives monthly capitation payments from L.A. Care for each Medi-Cal beneficiary enrolled in CHP, which provides 100% funding to the CHP's Medi-Cal Managed Care Program.

HFP are 100% offset by State and Federal funds provided by the State Managed Risk Medical Insurance Board on a per member per month basis, at a capitated rate for each HFP subscriber enrolled in CHP. Such capitation also funds the behavioral health and performance measurement support services provided by L.A. Care. Partial funding is included in the Office of Managed Care's FY 2006-07 Final Budget, and the remaining amount will be requested in FY 2007-08.

Administrative Support Services for the PASC-SEIU Health Care Plan Agreement is funded by 82.3% State and Federal funds and 17.7% net County cost. Funding is included in the Office of Managed Care's Fiscal Year (FY) 2006-07 Final Budget.

Nurse Advice Line Services will continue to be provided by L.A. Care for all CHP product lines at no additional cost to County.

5. Geographic Area to be Served:

Countywide

6. Accountable for Monitoring:

Dave Beck, Acting Director

7. Approvals

Office of Managed Care:	Dave Beck, Acting Director
Contracts and Grants Division:	Cara O'Neill, Chief
County Counsel:	Eddie Yen, Deputy County Counsel

**COUNTY OF LOS ANGELES – DEPARTMENT OF HEALTH SERVICES
OFFICE OF MANAGED CARE – COMMUNITY HEALTH PLAN**

CONTRACTING CRITERIA

1. Meets the administrative, programmatic, and fiscal objectives of the Community Health Plan (CHP) business model.
2. Agrees to accept as patients individuals enrolled in the CHP
3. Locates service sites within Los Angeles County.
4. Demonstrates compliance with the geographic accessibility requirements under Knox-Keene Licensure and the State Department of Health Services.
5. Complies with CHP site certification process.
6. Complies with CHP Credentialing process.
7. Agrees to cooperate in the maintenance and implementation of utilization management and quality assurance programs, submission of encounter data and other reporting requirements, and regular monitoring of all areas of service delivery to individuals enrolled in the CHP.
8. Demonstrates fiscal viability as determined by submission and review of most recent audited financial statements and last two (2) recent quarterly financial statements.
9. Agrees to comply with CHP's Insurance and Reinsurance requirements
10. Accepts CHP's reimbursements rates or willing to negotiate reasonable reimbursement rates where appropriate.
11. Agrees to cooperate in the development and implementation of any other processes necessary in all areas of service delivery to CHP enrollees.
12. Accepts the terms and conditions of the CHP Agreement, including all the Standard Provisions required by County.
13. Joint Commission of Accreditation Healthcare Organizations (JCAHO) certified hospitals (preferred).
14. Safety Net Providers (preferred).



County of Los Angeles
CHIEF EXECUTIVE OFFICE

713 KENNETH HAHN HALL OF ADMINISTRATION
LOS ANGELES, CALIFORNIA 90012
(213) 974-1101
<http://ceo.lacounty.gov>

WILLIAM T FUJIOKA
Chief Executive Officer

December 18, 2007

R E V I E W E D

ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

32 DEC 18 2007

Dear Supervisors:

Sachi A. Hamai
SACHI A. HAMAI
EXECUTIVE OFFICER

**DEPARTMENT OF HEALTH SERVICES: COMMUNITY HEALTH PLAN-LOCAL
INITIATIVE AGREEMENT/OTHER RELATED SERVICE AGREEMENTS
AND APPROVAL OF AMENDMENT NO. 2 OF AGREEMENT NO. H-213078
WITH CARE 1ST HEALTH PLAN
(ALL SUPERVISORIAL DISTRICTS)
(3 VOTES)**

Board of Supervisors
GLORIA MOLINA
First District

YVONNE B. BURKE
Second District

ZEV YAROSLAVSKY
Third District

DON KNABE
Fourth District

MICHAEL D. ANTONOVICH
Fifth District

IT IS RECOMMENDED THAT YOUR BOARD:

1. Delegate authority to the Director of Health Services (Director), or his designee, to extend and amend Agreement No. H-207980 with L.A. Care Health Plan (L.A. Care) effective January 1, 2008, on a month to month basis not to exceed six months, up to June 30, 2008, contingent upon prior review and approval by County Counsel and the Chief Executive Office (CEO), and written notification to the Board within 30 days of full execution of the Amendment.
2. Delegate authority to the Director, or his designee, to extend previous delegated Board authority granted on June 19, 2007 to negotiate and execute a Replacement Agreement with L.A. Care during the extension term, and execute future Amendment(s) to the Replacement Agreement, contingent upon prior review and approval by County Counsel and the CEO, and written notification to the Board within 30 days of full execution of the Replacement Agreement and Amendment(s).

3. Delegate authority to the Director, or his designee, to: a) offer and execute new i) Fee-for-Service Hospital Agreements and ii) direct Service Agreements with Individual Primary Care Physicians and Specialists, Ancillary Providers, and other service providers under reimbursement methodology determined by Community Health Plan (CHP) for any or all of its product lines, provided that such Agreements will expand CHP's provider network, increase capacity or access to care to its Members, enhance CHP's ability to grow market share, and develop new product lines, and that such providers meet the CHP's contracting criteria listed in Attachment B; and b) execute future Amendments to these Agreements, subject to availability of each respective funding source, contingent upon prior review and approval by County Counsel and the CEO, with written notification to the Board within 30 days of execution of the new Agreements and Amendments.
4. Approve and instruct the Director, or his designee, to execute Amendment No. 2 to Agreement No. H-213078, substantially similar to Exhibit I, with Care 1st Health Plan (Care 1st) for the continued provision of hospital and professional inpatient and outpatient services to Care 1st Medi-Cal and Healthy Families Members by Department of Health Services (DHS or Department) facilities, effective January 1, 2008 up to December 31, 2008, contingent upon prior review and approval by County Counsel and the CEO, and written mutual agreement by both parties.
5. Delegate authority to the Director, or his designee, to execute a Replacement Agreement with Care 1st effective the first day of the month following the date of successful contract negotiations by both parties, through September 2009, with annual renewals for three years through September 2012, contingent upon prior review and approval by County Counsel and the CEO, and written mutual agreement by both parties.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTIONS

DHS is recommending approval of these actions to: a) ensure continued funding and provision of health services to Medi-Cal beneficiaries enrolled in CHP; b) enable and support CHP in its goal of expanding its provider network, increasing capacity or access to care for all its Members, and enhancing CHP's ability to increase market share and develop new product lines; and c) ensure the continued provision of health care services by DHS facilities at fee-for-service rates to Care 1st Medi-Cal and Healthy Families Members while meeting the County's Strategic Plan Goals of Fiscal Responsibility and Organizational Effectiveness by increasing utilization of DHS facilities and thereby increasing revenue to DHS.

FISCAL IMPACT/FINANCING

L.A. Care Health Plan – Local Initiative Agreement – Medi-Cal Program

CHP receives a per member per month capitated rate from L.A. Care for each Medi-Cal beneficiary enrolled in the CHP. These rates are confidential in accordance with Section 1457 of the California Health and Safety Code, and have been shared with each Board Office, the CEO, and County Counsel.

New Fee-for-Service Hospital Agreements / Direct Service Agreements for All CHP Product Lines

The total fiscal impact of this recommended action cannot be determined at this time, because calculations will depend on the future number of new contracts, member assignments, and reimbursement rates. The funding for new agreements falling under the following CHP product lines is as follows:

Medi-Cal Managed Care Program – 100 percent offset by capitation payments received from L.A. Care on a per member per month basis for each Medi-Cal beneficiary enrolled in CHP.

Healthy Families Program (HFP) – 100 percent offset by State and Federal funds received from the State's Managed Risk Medical Insurance Board on a capitated basis for each CHP HFP subscriber.

In-Home Supportive Services Program - partially offset by State and Federal funds, with remaining costs covered by net County cost, under the terms of the Personal Assistance Services Council-Services Employees International Union (PASC-SEIU) Homecare Workers Health Care Program.

Care 1st Health Plan – Medi-Cal and Healthy Families Program

DHS receives reimbursement at fee-for-service rates from Care 1st. These rates are on file with DHS and kept confidential in accordance with Health and Safety Code Section 1457.

The amount of revenue DHS will generate from this Agreement cannot be determined at this time because it depends on the number of Care 1st patients that will actually be served by DHS facilities. During Fiscal Year 2006-07, DHS facilities collected approximately \$2.5 million.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

Community Health Plan

The CHP is a full-service State-licensed and federally-qualified Health Maintenance Organization (HMO) publicly operated by the County of Los Angeles and administered by the Department's Office of Managed Care. CHP's core business is the provision of health care to eligible members enrolled under CHP's Medi-Cal Managed Care Program, HFP, and PASC-SEIU Homecare Worker Health Care Plan.

L.A. Care Health Plan – Local Initiative Agreement – Medi-Cal Program

On February 11, 1997, the Board approved the Local Initiative Agreement / Medi-Cal Agreement with L.A. Care. On subsequent occasions, the Board approved a Replacement Agreement effective December 2002 and Amendments through December 31, 2007.

Negotiations with L.A. Care for a new Replacement Agreement are ongoing. The Department is seeking authorization to extend the existing Agreement No. H-207980 effective January 1, 2008, on a month-to-month basis not to exceed six months, up to June 30, 2008, to allow both parties to complete their negotiations and execute the Replacement Agreement, which shall be effective the first day of the month following the date of successful contract negotiations by both parties, up to March 31, 2009. The Replacement Agreement will align the term of the Agreement with other L.A. Care Plan Partner Services Agreements, including Blue Cross, Care 1st, and Kaiser Permanente. As with the existing Agreement, the new Replacement Agreement will comply with all applicable State laws and regulations.

New Fee-for-Service Hospital Agreements / Direct Service Agreements for All CHP Product Lines

CHP's customary method of reimbursement for contracted health care services is based on capitation, an amount paid to a physician group or hospital on a certain fixed rate per member per month, whereby such rates are actuarially sound based on utilization and cost data. The main advantage of a capitation agreement is that providers have no incentive to provide more services than are medically necessary. The fee is paid whether or not services are rendered, and it provides a consistent source of revenue for the providers and enables CHP to control the rising costs of health care.

In recent years, however, hospitals have started pushing back on capitation agreements and risk sharing arrangements negotiated with physician organizations as costs of providing health care services have risen and legal and regulatory requirements have tightened. Consequently, many health plans have now converted their hospital agreements from capitation to discounted fee-for-service or per diem arrangements. As a result, certain current CHP capitated contracted hospitals will not renew their existing agreements with CHP and are now requiring a shift from the capitation agreement to a fee-for-service agreement. The new fee-for-service agreements will also be offered to potential hospital providers who are critical to maintaining or expanding CHP's network and increasing capacity or access to care by all of CHP's Members. It is incumbent upon CHP to control utilization through authorizations and concurrent review.

In addition, CHP currently only contracts with Medical Groups or Independent Practice Associations, groups of physicians organized as a legal entity to deliver or arrange for the delivery of health services to CHP Members. While such contracting mechanisms have allowed CHP to maintain its current provider network, rapid changes in the HMO industry in response to competitive pressure has limited CHP's ability to strengthen its market position. As part of CHP's goal to expand its provider network, thereby increasing competitiveness and improving efficiency in meeting immediate market needs and delivering effective health care services to Members, the Department recommends direct contracting with Independent Primary Care Physicians and Specialists, ancillary providers, and other service providers, e.g. Skilled Nursing Facilities, Home Health agencies, Hospitalists, etc.

Under both instances, the CHP will determine the reasonable reimbursement rates and methodology to use in negotiating each contract by evaluating current and historical utilization data, financial responsibility matrix, the surrounding market, current industry standard, and available compilation of research data by health industry, other health plans, hospitals, health systems, individual physicians and physician organizations, and other notable research data engines, subject to review and approval by County Counsel and the Chief Executive Office.

Under the recommended action, the Department will use delegated authority to execute such new Agreements and Amendments, subject to availability of each respective funding source. The new Agreements will contain termination provisions by which either party at any time and for any reason may terminate the Agreement by giving at least 90 calendar days prior written notice, and shall contain preferred County contractual language that is in the CHP's current standard agreements, subject to final review and approval by County Counsel and the CEO.

Care 1st Health Plan

On October 2, 2001, the Board approved Agreement No. H-213078 with Care 1st, effective upon Board approval and continued, thereafter, with renewals through June 30, 2007. On June 12, 2007, the Board approved Amendment No. 1 extending the term of the Agreement through December 31, 2007.

Amendment No. 2 to the Agreement will allow access by Care 1st Medi-Cal and Healthy Families Members to DHS facilities for primary, specialty, inpatient, and emergency care. Such care provided is subject to County Code Section 2.76.130, Priority of Admissions.

DHS and Care 1st are continuing to negotiate the terms for the Replacement Agreement. Due to the protracted negotiations between DHS and Care 1st, the Department intends to extend the current Agreement effective January 1, 2008 through December 31, 2008 to allow both parties to fully complete their negotiations and execute the Replacement Agreement, which shall be effective the first day of the month following the date of successful negotiations by both parties through September 2009, with annual renewals for three years through September 2012, upon written agreement by both parties. As with the existing Agreement, the Replacement Agreement will comply with all applicable State laws and regulations.

Attachment A provides additional information.

CONTRACTING PROCESS:

It is not appropriate to advertise these Amendments and Agreements on the Los Angeles County Online Website.

IMPACT ON CURRENT SERVICES (OR PROJECTS):

L.A. Care Health Plan – Local Initiative Agreement – Medi-Cal Program

The Agreement with L.A. Care will provide continued funding and provision of health care services to Medi-Cal beneficiaries enrolled in CHP.

New Fee-for-Service Hospital Agreements / Direct Service Agreements for All CHP Product Lines

Honorable Board of Supervisors
December 18, 2007
Page 7

These new Agreements will allow CHP to flexibly expand its provider network, thus increasing capacity or access to care to all its members, enhance market share and ability to develop new product lines.


Care 1st Health Plan

Approval of the Amendment will maximize revenue to DHS for Care 1st Medi-Cal and Healthy Families Members who utilize DHS facilities.

CONCLUSION

When approved, DHS requires four signed copies of the Board's action.

Respectfully submitted,



WILLIAM T FUJIOKA
Chief Executive Officer

WTF:SRH
SAS:AT:bjs

Attachments (3)

c: County Counsel
Director and Chief Medical Officer, Department of Health Services

121807_DHS_CHP

COUNTY OF LOS ANGELES - DEPARTMENT OF HEALTH SERVICES
 COMMUNITY HEALTH PLAN
 PROVIDER CONTRACTS INVENTORY REPORT (As of May 1, 2009 -UPDATED)

Contractor	Contract No.	Expiration Date	Amendment No.	Amendment Term	Payment Method	Hospital / Group Affiliation	Comments
MEDICAL MANAGED CARE PROGRAM (MMCP)							
5-MEDICAL GROUPS/IPAs:							
1 Accountable Health Care IPA	H703517	3/31/2009	1	4/01/09 - 3/31/11	Capitation	East LA Doctors Hospital Memorial Hospital of Gardena	Contract renewed under same terms and conditions
2 Allied Physicians IPA	H703323	3/31/2009	1	4/01/09 - 3/31/11	Capitation	AHMC Garfield Medical Center	With yearly rate increases
3 Altamed Health Services Corporation	H701908	3/31/2009	4	4/01/09 - 3/31/11	Capitation	AHMC Monterey Park Hospital	With yearly rate increases and DOFR change (contractor assuming risks for injectable medications)
4 Angeles IPA	H703520	3/31/2009	2	4/01/09 - 3/31/11	Capitation	Pacific Alliance Medical Center	Contract renewed under same terms and conditions / Bellflower Hospital affiliation deleted
5 Asian Community Medical Group, Inc.	H212134	3/31/2009	9	4/01/09 - 5/31/09	Capitation	Pacific Hospital of Long Beach	With rate increase
6 Bella Vista Medical Group	H703518	3/31/2009	1	4/01/09 - 3/31/11	Capitation	East LA Doctors Hospital	With yearly rate increases
7 Cal Care IPA, Inc.	H703291	3/31/2009	1	4/01/09 - 3/31/11	Capitation	Hollywood Presbyterian Medical Center	Contract renewed under same terms and conditions
8 Citrus Valley Physicians Group	H211959	3/31/2009	9	4/01/09 - 3/31/11	Capitation	Citrus Valley Health Partners	With yearly rate increases
9 Clinica Medica San Miguel IPA	H703290	3/31/2009	1	4/01/09 - 3/31/11	Capitation	Hollywood Presbyterian Medical Center Valley Presbyterian Hospital	Contract renewed under same terms and conditions
10 Community Family Care Medical Group	H207822	3/31/2009	6	4/01/09 - 3/31/11	Capitation	Bellflower Medical Center	Contract renewed under same terms and conditions
11 Community Family Care Medical Group	H300274	3/31/2009	5	4/01/09 - 3/31/11	Capitation	Valley Presbyterian Hospital	Contract renewed under same terms and conditions
12 El Dorado Community Health Center	H211889	3/31/2009	9	4/01/09 - 3/31/11	Capitation	County DHS Facilities	With rate increase
13 El Proyecto Del Barrio	H703278	3/31/2009	1	4/01/09 - 3/31/11	Capitation	Valley Presbyterian Hospital	With yearly rate increases
14 Family Care Specialists IPA	H212047	3/31/2009	9 10	4/01/09 - 7/31/09 5/01/09 - 4/30/11	Capitation	White Memorial Medical Center	Contract renewed on month to month basis under same terms and conditions With yearly rate increases
15 Global Care Medical Group	H700919	3/31/2009	5	4/01/09 - 3/31/11	Capitation	CHW/California Hospital Medical Center Memorial Hospital of Gardena Hollywood Presbyterian Medical Center Long Beach Memorial Medical Center (FFS)	With yearly rate increases / addition of Long Beach Memorial Hospital as affiliated hospital + corresponding DOFR
16 Harbor/UCLA Medical Foundation, Inc.	H211899	3/31/2009	9	4/01/09 - 3/31/11	FFS	County DHS Facilities	For Overflow Medical Specialty Services Only /Contract renewed under same terms and conditions
17 Health Care LA	H212052	3/31/2009	9	4/01/09 - 3/31/11	Capitation	Citrus Valley Health Partners	With yearly rate increases
18 Health Care LA	H212781	3/31/2009	10	4/01/09 - 3/31/11	Capitation	CHW/California Hospital Medical Center	With yearly rate increases
19 Health Care LA	H700840	3/31/2009	5	4/01/09 - 3/31/11	Capitation	Valley Presbyterian Hospital	With yearly rate increases
20 Health Care LA	H702444	3/31/2009	4	4/01/09 - 3/31/11	Capitation	Long Beach Memorial Medical Center (FFS)	With yearly rate increases / deletion of CFHS Holdings and addition of Long Beach Memorial Hospital as affiliated hospital
21 Healthy New Life Medical Corporation	H703330	3/31/2009	1	4/01/09 - 5/31/09	Capitation	Pacific Hospital of Long Beach	With rate increase
22 Karing Physicians Medical Group, Inc.	H703331	3/31/2009	1	4/01/09 - 5/31/09	Capitation	Pacific Hospital of Long Beach	With rate increase
23 LaSalle Medical Associates	H703144	3/31/2009	1	4/01/09 - 3/31/11	Capitation	White Memorial Medical Center (FFS for the 1st 500 Members assigned to LaSalle, then converts to Capitation)	With yearly rate increases
24 La Vida Medical Group and IPA	H212280	3/31/2009	10	4/01/09 - 9/30/09	Capitation	Long Beach Memorial Medical Center (FFS)	Contract renewed under same terms and conditions
25 La Vida Medical Group and IPA	H702335	3/31/2009	5	4/01/09 - 9/30/09	Capitation	Memorial Hospital of Gardena	Contract renewed under same terms and conditions
26 La Vida Medical Group and IPA	H702336	3/31/2009	5	4/01/09 - 9/30/09	Capitation	East LA Doctors Hospital	Contract renewed under same terms and conditions
27 La Vida Medical Group and IPA	H703320	3/31/2009	1	4/01/09 - 9/30/09	Capitation	Pomona Valley Hospital Medical Center (FFS)	Contract renewed under same terms and conditions
28 Omnicare Medical Group	H702989	3/31/2009	2	4/01/09 - 3/31/12	Capitation	St. Francis Medical Center	With yearly rate increases
29 Physicians Healthways Medical Corporation	H701003	3/31/2009	4	4/01/09 - 3/31/11	Capitation	AHMC Garfield Medical Center	With yearly rate increases
30 Pomona Valley Medical Group	H212373	6/30/2009	11	7/01/09 - 6/30/10	Capitation	Pomona Valley Hospital Medical Center (FFS)	Except for Bariatric Surgery cases limitation, contract renewed under same terms and conditions

COUNTY OF LOS ANGELES - DEPARTMENT OF HEALTH SERVICES
COMMUNITY HEALTH PLAN
PROVIDER CONTRACTS INVENTORY REPORT (As of May 1, 2009 - UPDATED)

Contractor	Contract No.	Expiration Date	Amendment No.	Amendment Term	Payment Method	Hospital / Group Affiliation	Comments
31 Preferred IPA of California, Inc.	H702937	3/31/2009					Superseded by H-703279
32 Preferred IPA of California, Inc.	H702979	3/31/2009					Superseded by H-703279
33 Preferred IPA of California, Inc.	H703279	3/31/2009	1	4/01/09 - 3/31/12	Capitation	AHMC Monterey Park Hospital Hollywood Presbyterian Medical Center Valley Presbyterian Hospital Citrus Valley Health Partners Glendale Memorial Hospital	With blended yearly rate increases / merged H-702937 and H-702979 into this Agreement, including corresponding DOFRs
34 Regent Medical Group	H703333	3/31/2009	1	4/01/09 - 3/31/11	Capitation	Pacific Alliance Medical Center	Contract renewed under same terms and conditions
35 South Atlantic Medical Group	H700920	3/31/2009	4	4/01/09 - 3/31/11	Capitation	AHMC Monterey Park Hospital	Contract renewed under same terms and conditions
36 Universal Care, Inc.	H703298	3/31/2009	1	4/01/09 - 3/31/11	Capitation	Valley Presbyterian Hospital	Contract renewed under same terms and conditions
> HOSPITALS							
37 AHMC Garfield Medical Center	H701000	3/31/2009	4	4/01/09 - 3/31/11	Capitation	Allied Physicians IPA Physicians Healthways Medical Corporation	With yearly rate increases
38 AHMC Monterey Park Hospital	H701058	3/31/2009					Superseded by H-703280
39 AHMC Monterey Park Hospital	H701907	3/31/2009					Superseded by H-703280
40 AHMC Monterey Park Hospital	H703280	3/31/2009	1	4/01/09 - 3/31/11	Capitation	Preferred IPA of California, Inc. South Atlantic Medical Group Altamed Health Services Corporation	With yearly rate increases / merged H-701058 and H-701907 into this Agreement, including corresponding DOFRs
41 CHW California Hospital Medical Center	H213048	3/31/2009	10	4/01/09 - 9/30/09	Capitation	Global Care Medical Group Health Care LA	Contract renewed under same terms and conditions
42 Citrus Valley Health Partners	H211929	3/31/2009	9	4/01/09 - 3/31/11	Capitation	Citrus Valley Physicians Group	With rate increase
43 Citrus Valley Health Partners	H212054	3/31/2009	10	4/01/09 - 3/31/11	Capitation	Preferred IPA of California, Inc.	With rate increase
44 Citrus Valley Health Partners	H212055	3/31/2009	9	4/01/09 - 3/31/11	Capitation	Health Care LA	Contract renewed under same terms and conditions
45 East LA Doctors Hospital	H703519	3/31/2009	1	4/01/09 - 3/31/11	Capitation	Accountable Health Care IPA Bella Vista Medical Group La Vida Medical Group	With yearly rate increases
46 Glendale Memorial Hospital and Health Center	H702980	3/31/2009	1	4/01/09 - 3/31/10	Capitation	Preferred IPA of California, Inc.	With rate increase
47 HealthSmart Pacific, Inc.	H212135	3/31/2009	9	4/01/09 - 5/31/09	Capitation	Asian Community Medical Group Healthy New Life Medical Corporation Karing Physicians Medical Group	With rate increase
48 Hollywood Presbyterian Medical Center	H703145	3/31/2009	3	4/01/09 - 3/31/11	Capitation	Cal Care IPA Clinica Medica San Miguel Global Care Medical Group Preferred IPA of California, Inc.	With yearly rate increases
49 Jupiter Bellflower Doctors Hospital	H300061	3/31/2009	5	4/01/09 - 3/31/10	Capitation	Community Family Care Medical Group	With rate increase
50 Long Beach Memorial Medical Center	H212281	12/31/2008	8	1/01/09 - 12/31/10	FFS	La Vida Medical Group Health Care LA (effective 4/01/09) Global Care Medical Group (effective 4/01/09)	Converted from Capitation to FFS effective 1/01/09
51 Memorial Hospital of Gardena	H703143	3/31/2009	2	4/01/09 - 3/31/11	Capitation	Accountable Health Care IPA Global Care Medical Group La Vida Medical Group	With yearly rate increases
52 PAMC, Ltd.	H703332	3/31/2009	3	4/01/09 - 3/31/11	Capitation	Angeles IPA Community Family Care Medical Group Regent Medical Group	Contract renewed under same terms and conditions
53 Pomona Valley Hospital Medical Center	H212714	3/31/2009	8	4/01/09 - 3/31/11	FFS	Pomona Valley Medical Group La Vida Medical Group (effective 8/01/08)	Converted from Capitation to FFS effective 7/01/07 / With new reimbursement rates effective 7/01/09

COUNTY OF LOS ANGELES - DEPARTMENT OF HEALTH SERVICES
COMMUNITY HEALTH PLAN
PROVIDER CONTRACTS INVENTORY REPORT (As of May 1, 2009 - UPDATED)

Contractor	Contract No.	Expiration Date	Amendment No.	Amendment Term	Payment Method	Hospital / Group Affiliation	Comments
54 St. Francis Medical Center	H700820		Evergreen Contract		Capitation	Omnicare Medical Group	Evergreen Contract (renews automatically for 12-mo. Period annually)
55 Valley Presbyterian Hospital	H300273	3/31/2009					Superseded by H-702936
56 Valley Presbyterian Hospital	H700855	3/31/2009					Superseded by H-702936
57 Valley Presbyterian Hospital	H702936	3/31/2009	1	4/01/09 - 3/31/11	Capitation	Preferred IPA of California, Inc. Community Family Care Medical Group Clinica Medica San Miguel El Proyecto Del Barrio Health Care LA Universal Care	With yearly rate increases / merged H-300273 and H-700855 into this Agreement, including corresponding DOFRs
58 White Memorial Medical Center	H212408	3/31/2009	10	4/01/09 - 3/31/11	Capitation	Family Care Specialists	With yearly rate increases
59 White Memorial Medical Center	H703142	3/31/2009	1	4/01/09 - 3/31/11	FFS for the 1st 500 Members assigned to LaSalle, then converts to Capitation	LaSalle Medical Associates	With yearly rate increases
HEALTHY FAMILIES PROGRAM (HFP)							
> MEDICAL GROUPS / IPAs:							
60 Health Care LA	H211295	Co-Terminus with CHP/MRMIB Agreement 5 (eff. 5/01/09)			Capitation	CHW/California Hospital Medical Center (FFS) Adds Long Beach Memorial Medical Center (FFS) as additional affiliated hospital effective 5/01/09	Current Term of CHP/MRMIB Agreement: 7/01/09 - 6/30/09 (with pending Amendment to extend through 6/30/10)
61 Physicians Healthways Medical Corporation	H701341	Co-Terminus with CHP/MRMIB Agreement			Capitation	AHMC Garfield Medical Center	Current Term of CHP/MRMIB Agreement: 7/01/09 - 6/30/09 (with pending Amendment to extend through 6/30/10)
> HOSPITALS:							
62 AHMC Garfield Medical Center	H701856	Co-Terminus with CHP/MRMIB Agreement			Capitation	Physicians Healthways Medical Corporation	Current Term of CHP/MRMIB Agreement: 7/01/09 - 6/30/09 (with pending Amendment to extend through 6/30/10)
63 CHW/California Hospital Medical Center	H212000	6/30/2009	6	7/01/09 - 6/30/10	FFS	Health Care LA	Converted from Capitation to FFS effective 7/01/08 / With new FFS Reimbursement Rates effective 7/01/09
> NETWORK SERVICES:							
64 Health Net of California	H211224	6/30/2009	7	TBD	Capitation		
65 LA Care Health Plan	H207959	12/31/2008	7	1/01/09 - 12/31/09	Capitation		
IN-HOME SUPPORTIVE SERVICES (IHSS):							
66 Citrus Valley Physicians Group	H701859	6/30/2009	3	7/01/09 - 3/30/11	Capitation	Citrus Valley Health Partners	With yearly rate increases and DOFR change (contractor assuming risks for injectable medications)
67 Citrus Valley Health Partners	H702921	6/30/2009	1	TBD	FFS	Citrus Valley Physicians Group	
LETTERS OF AGREEMENT (LOA)							
> INDEPENDENT PHYSICIANS:							
68 Hameeduz Zafar, MD (MMCP / HFP - Primary Care Only)	LOA 08-C40223	4/30/2009	1	5/01/09 - 10/31/09	FFS	High Desert Health System (Specialty Services)/AVH (Inpatient/Hospital Services)	LOA renewed under same terms and conditions
69 Jaeragah Sri, MD (MMCP / HFP - Primary Care Only)	LOA 08-A33938	4/30/2009	1	5/01/09 - 10/31/09	FFS	High Desert Health System	LOA renewed under same terms and conditions
> HOSPITALS:							
70 Antelope Valley Hospital Medical Center (All LOBs)	LOA 08-001-1	3/31/2009	1	4/01/09 - 12/31/09	FFS	High Desert Health System	LOA renewed under same terms and conditions
71 Childrens Hospital of LA (MMCP / HFP)	LOA 08-002-1	6/30/2009	1	TBD	FFS	Available for any MMCP/HFP Member	
72 Long Beach Memorial Medical Center (HFP)	LOA 09-004	NEW	-	1/01/09 - 12/31/10	FFS	Health Care LA	
73 Prime Healthcare Centinela, LLC (MMCP / HFP)	LOA 08-003	4/25/2009	1	4/26/09 - 4/25/10	FFS		With new FFS Reimbursement Rates / Available for any MMCP/HFP Member
74 Valley Presbyterian Hospital (IHSS)	LOA 09-005	NEW	-	4/01/09 - 3/31/12	FFS		Available for any IHSS Member